

**Voluntary Report** – Voluntary - Public Distribution

**Date:** September 03, 2026

**Report Number:** CH2026-0115

## **Report Name:** Dairy Consumption Trends in East China

**Country:** China - People's Republic of

**Post:** Shanghai ATO

**Report Category:** Dairy and Products

**Prepared By:** ATO Shanghai staff

**Approved By:** Alexander Blamberg

### **Report Highlights:**

East China, comprising Shanghai, Jiangsu, Zhejiang, and Anhui, is a diverse dairy market, with consumption patterns varying significantly by province and city. Shanghai and southern Jiangsu are relatively mature markets for chilled and premium dairy, while Hangzhou and Ningbo have developed strong premium retail, e-commerce, and foodservice channels; Anhui and northern Jiangsu remain more price-sensitive and reliant on mainstream dairy products. Across the region, demand is shifting toward fresh and chilled dairy, lower-sugar and higher-protein products, cheese, and other value-added dairy, although domestic brands remain highly competitive. The region's large bakery, coffee, milk tea, restaurant, and food manufacturing sectors also support established demand for imported dairy ingredients. U.S. dairy products are present in East China primarily through premium retail and selected B2B applications, with opportunities varying by product, channel, and price competitiveness.

## Regional Market Overview

East China is one of China's more developed dairy-consuming regions, supported by relatively high urbanization, household incomes, and exposure to international food products. However, the four provinces do not constitute a uniform market. Shanghai has the most developed premium and imported dairy market, while parts of Jiangsu and Zhejiang share similar consumption patterns. Anhui and northern Jiangsu are less developed and generally more price-sensitive.

Liquid milk remains an important part of the regional dairy market, particularly pasteurized fresh milk and ultra-high temperature (UHT) milk. In Shanghai, southern Jiangsu, and major Zhejiang cities, consumers increasingly favor chilled products and shorter shelf lives. Yogurt, cheese, butter, ice cream, and functional dairy products have expanded the market beyond traditional liquid milk, while plant-based alternatives remain a relatively small segment.

Domestic companies maintain strong positions in mainstream dairy categories. Yili and Mengniu have extensive distribution networks across the region, while local companies such as Bright Dairy, Weigang, and New Hope Shuangxi have established positions in fresh and chilled dairy. Imported products are more visible in premium cheese, butter, cream, and other specialized categories, although domestic substitution has increased competition in many mid- and lower-priced segments.

Competition increasingly extends beyond price to product formulation, freshness, cold-chain capabilities, supply-chain reliability, and service. For imported dairy, these factors are particularly important because domestic suppliers can often compete effectively on price and distribution.



Note: East China region circled in red.

Source: CIA website

## **Provincial and City Profiles**

### ***Shanghai***

Shanghai is East China's most mature dairy market and has relatively high consumer familiarity with imported and Western-style dairy products. Chilled fresh milk is well established, including through home milk delivery subscriptions. Consumers in the city also show demand for organic, A2, low-fat, low-lactose, high-protein, and low-sugar dairy products. Cheese has become increasingly common in household consumption, baking, Western restaurants, and foodservice. Premium natural cheese has a more established imported presence than many other dairy categories. Butter, cream, and specialty dairy products are also sold through premium supermarkets and membership retailers.

Shanghai's large foodservice sector is an important source of business-to-business (B2B) dairy demand. Bakeries, coffee shops, milk tea companies, hotels, restaurants, and food manufacturers purchase cheese, cream, butter, milk, whey protein, and other dairy ingredients. Bright Dairy is Shanghai's dominant local dairy company and maintains a strong position in fresh milk, yogurt, UHT milk, ice cream, and other dairy categories. Milkground, headquartered in Shanghai and controlled by Mengniu, is a major domestic cheese producer serving both retail and foodservice customers.

### ***Jiangsu***

Jiangsu has significant variation between its southern, central, and northern markets. Southern Jiangsu, including Nanjing, Suzhou, Wuxi, and Changzhou, is the province's most developed dairy market and has consumption patterns similar to Shanghai. Chilled milk, premium yogurt, cheese, and other value-added products are increasingly common. The area's large bakery, restaurant, and foodservice sectors also generate demand for business-end dairy ingredients.

Central Jiangsu, including Yangzhou, Taizhou, and Nantong, has strong home milk delivery and community distribution networks. Fresh milk and yogurt are important products in these markets. Northern Jiangsu, including Yancheng, Lianyungang, and Xuzhou, is more price-sensitive and has greater reliance on shelf-stable dairy. Rising incomes and expanding foodservice activity are gradually increasing demand for higher-value products.

Jiangsu's local dairy industry includes several established fresh milk producers. Nanjing Weigang Dairy has a strong position in fresh milk and home delivery, while New Hope Shuangxi is an important producer in Suzhou. The province also has significant demand for cheese and dairy ingredients. Mozzarella, cream cheese, cheddar, butter, and cream are used by bakeries, restaurants, and other foodservice businesses, particularly in southern Jiangsu.

### ***Zhejiang***

Zhejiang has a relatively sophisticated consumer market centered on Hangzhou and Ningbo. The province also has highly developed e-commerce and digital retail channels, which provide important distribution options for premium and specialty dairy products. Compared with other East China markets, Zhejiang consumers show relatively strong demand for sweetened and flavored dairy beverages. Dairy is frequently consumed through convenience stores, milk tea shops, dessert businesses, and other on-the-

go channels. Hangzhou and Ningbo have greater demand for chilled and premium dairy, while shelf-stable products remain more common in smaller cities.

The province's bakery, dessert, and milk tea industries generate demand for cream, condensed milk, cream cheese, butter, and other dairy ingredients. Online sales are also important for milk powder, functional dairy products, and specialty products. Yiming Food operates the Inn Fresh Milk Bar chain and produces fresh milk, yogurt, egg-milk drinks, and short-shelf-life baked goods. Panda Dairy is a major producer of condensed milk and also supplies whipped cream and cheese to bakery and tea-drink businesses.

## ***Anhui***

Anhui is a less mature dairy market than Shanghai, Jiangsu, or Zhejiang, with consumption concentrated in liquid milk and mainstream dairy products. However, demand is becoming more diversified in major cities such as Hefei and Wuhu. Urban consumers are showing greater interest in chilled fresh milk, organic dairy, and functional products. In county and township markets, shelf-stable milk, milk powder, and flavored yogurt remain more common. Functional dairy products, including high-calcium, low-fat, and organic products, have gained visibility as consumers become more health-conscious. Festival gifting is also an established occasion for premium dairy purchases. Danuo Dairy is an important local B2B supplier of dairy ingredients, including condensed milk, modified milk powder, and bakery-use dairy products.

## **Consumer Trends**

### ***Freshness and Chilled Dairy***

Freshness is an important purchasing consideration in Shanghai and the more developed markets of Jiangsu and Zhejiang. Chilled pasteurized milk and home delivery are well established, while community retail and rapid delivery services have expanded access to refrigerated products. Shelf-stable milk remains more important in Anhui and northern Jiangsu, particularly outside major cities.

### ***Health and Functional Products***

Health considerations increasingly influence dairy purchases throughout East China. Consumers are paying greater attention to sugar content, protein, calcium, probiotics, lactose, and ingredient lists. High-protein and low-sugar products have gained visibility in Shanghai and other affluent urban markets, while functional dairy products are also expanding into lower-tier cities.

## ***Cheese***

Cheese is one of the more visible areas of product diversification in East China. Children's cheese snacks have expanded the consumer market, while natural cheese is increasingly used in household consumption, baking, Western food, and foodservice. Cheddar, mozzarella, and cream cheese have established B2B applications. Domestic producers have become increasingly competitive, particularly in processed and lower-priced cheese products, while imported natural cheese remains more prevalent in premium applications.

### ***Bakery, Coffee, and Milk Tea***

East China's extensive bakery, coffee, and milk tea sectors create recurring demand for dairy ingredients. Bakeries use butter, cream cheese, cream, cheddar, and other ingredients, while milk tea and dessert companies purchase cream cheese, fresh cream, and related products. Shanghai, southern Jiangsu, Hangzhou, and Ningbo have particularly developed commercial food and beverage sectors. Demand from these businesses is generally driven by product specifications, consistency, supply reliability, and price rather than consumer recognition of the ingredient's country of origin.

### ***Frozen Dairy***

Premium ice cream and artisanal gelato have expanded in Shanghai and other major cities. This segment supports demand for cream, butter, and other dairy inputs, although it remains a relatively specialized portion of the overall dairy market.

### ***Specialty and Alternative Dairy***

Soy, almond, and oat beverages are available throughout East China but remain relatively small compared with conventional dairy. Goat milk and other specialty animal-milk products also occupy niche positions, primarily among premium and health-oriented consumers.

### **Distribution Channels**

#### ***Retail***

Traditional supermarkets and hypermarkets continue to sell significant volumes of dairy, although premium and membership retail have gained importance in major cities. Costco and Sam's Club have established substantial East China footprints and are important channels for imported cheese, butter, cream, yogurt, and other products. Premium retailers such as City Super, Ole', JUST FRESH, and Timesgrocery also serve affluent consumers, particularly in Shanghai. Convenience stores are an important outlet for single-serve and chilled products, including yogurt, fresh milk, and cheese snacks.

#### ***E-Commerce and Instant Retail***

Online purchasing is particularly well developed in Shanghai and Zhejiang. Tmall and JD.com are important channels for premium dairy, gift boxes, milk powder, and bulk purchases. Douyin and Xiaohongshu increasingly influence consumer awareness of dairy products, while livestreaming is used to introduce new products and promote sales. Instant-retail services provide rapid delivery of fresh and chilled dairy products in major cities. These services are particularly relevant to urban consumers purchasing products for immediate consumption.

## ***Home Milk Delivery***

Home milk delivery remains an important channel for local fresh dairy companies in Shanghai and Jiangsu. The model is supported by established consumer relationships and recurring subscriptions and presents a competitive advantage for local producers of fresh milk.

## ***Food service and B2B***

B2B channels are an established component of East China's dairy market. Bakeries, milk tea companies, coffee shops, restaurants, hotels, food manufacturers, and institutional buyers purchase dairy ingredients for use in finished products.

Commonly used ingredients include:

- Cheese, including mozzarella, cheddar, and cream cheese
- Butter
- Fresh and whipping cream
- Whey protein
- Milk protein concentrates
- Dairy permeate
- Milk powder and other specialized dairy ingredients

Demand is concentrated in major commercial centers, particularly Shanghai, Suzhou, Nanjing, Hangzhou, and Ningbo. For imported ingredients, buyers generally consider price alongside product specifications, consistency, availability, and technical support.

## ***Major Dairy Processors and Importers***

China's two largest dairy companies, Yili and Mengniu, maintain extensive national distribution networks and compete throughout East China. The region also has several significant local dairy companies.

### ***Shanghai***

*Bright Dairy:* Headquartered in Shanghai and founded in 1911, Bright Dairy is a major East China dairy company. Its product portfolio includes pasteurized fresh milk, yogurt, UHT milk, ice cream, milk powder, and cheese.

*Milkground:* Headquartered in Shanghai and controlled by Mengniu, Milkground is a major domestic cheese manufacturer. It produces cheese sticks, mozzarella, cheese slices, and other products for retail and food service.

### ***Jiangsu***

*Nanjing Weigang Dairy:* A long-established dairy company headquartered in Nanjing, Weigang produces fresh milk, yogurt, and UHT milk and has a strong home milk delivery business.

*New Hope Shuangxi:* A subsidiary of New Hope Dairy and a major local producer in Suzhou, New Hope Shuangxi primarily produces pasteurized milk and yogurt.

### ***Zhejiang***

*Yiming Food:* A publicly listed dairy company known for its Inm Fresh Milk Bar chain. It produces pasteurized milk, yogurt, egg-milk drinks, and short-shelf-life baked goods.

*Panda Dairy:* A major producer of condensed milk, with additional products including whipped cream and cheese. The company supplies bakery, tea-drink, and retail customers.

### ***Anhui***

*Danuo Dairy:* A domestic B2B dairy ingredient supplier producing condensed milk, modified milk powder, and dairy products for bakery, tea, and snack manufacturers.

## **Market Considerations for U.S. Dairy Exporters**

East China's dairy market provides established outlets for imported dairy, but opportunities are concentrated in particular products and channels rather than evenly distributed across the region. Shanghai and southern Jiangsu have relatively mature markets for premium and imported dairy, while Hangzhou and Ningbo offer established premium retail and foodservice channels. Anhui and northern Jiangsu are more price-sensitive and may require products positioned closer to mainstream price points.

B2B applications provide an important outlet for imported dairy ingredients, particularly in bakery, beverage, coffee, foodservice, and food manufacturing. However, domestic suppliers are increasingly able to provide comparable products in many applications, making price and supply reliability important considerations. U.S. dairy products are therefore most likely to compete effectively where product specifications, quality, consistency, or functionality provide a meaningful distinction. Natural cheese, butter, cream, whey and milk proteins, and specialized dairy ingredients are present in the market, but individual opportunities depend on local buyers, applications, and competitive pricing.

## **USDA Endorsed Trade Shows**

### ***Food Ingredients China (FIC)***

City: Shanghai

Date: March 17-19, 2027

Website: <https://www.fas.usda.gov/topics/trade-shows/food-ingredients-china-3>

FIC is one of Asia's leading trade shows for food and beverage ingredients, additives, and formulation technology, drawing ingredient suppliers, manufacturers, and buyers from around the world.

### ***SIAL China***

City: Shanghai

Date: May 18-20, 2027

Website: <https://www.fas.usda.gov/topics/trade-shows/sial-china-3>

SIAL China is a major international food and beverage trade show that showcases a broad range of products across categories, connecting global exporters with Chinese importers, distributors, and retailers.

***Food Hospitality China (FHC)***

City: Shanghai

Date: November 10-12, 2026

Website: <https://www.fas.usda.gov/topics/trade-shows/food-and-hospitality-china-1>

FHC is a leading trade show focused on imported food, beverages, and hospitality products, serving the retail, food service, hotel, and restaurant sectors in China.

**Related report:** [China: Dairy and Products Semi-annual 2026](#)

**Contact information**

U.S. Agricultural Trade Office in Shanghai (ATO Shanghai)

U.S. Consulate General Shanghai, China

Email: [atoshanghai@usda.gov](mailto:atoshanghai@usda.gov)

**Attachments:**

No Attachments.